

**CITY OF ALLENTOWN**  
**PETTY CASH COUNT – TREASURY**  
**01/05/2021**

**Date of Report: January 06, 2022**

The Finance Department ensures the financial stability of the city by managing all financial functions in an efficient, cost-effective, and responsive manner. The Finance department oversees long range strategic financial planning and provides city departments and the public with timely and accurate financial information, while assuring clarity and accountability.

Treasury maintains 1 Petty Cash drawer.

**OBJECTIVE**

The audit objectives were:

1. To perform a surprise cash count of all cash funds maintained by Treasury.
2. To ensure the funds and supporting documentation of cash drawer balances for the day(s) of our visit were present and properly reported.
3. To determine the existing policies and procedures including AIMs were being followed and whether internal controls were adequate to ensure that all cash is collected, accurately recorded, safeguarded, and deposited.
4. To evaluate the reasonableness of the amount of the funds.
5. To identify any potential cash receipt and cash handling internal control weaknesses including but not limited to the physical security of the funds.

**PROCEDURES**

This audit was conducted in accordance with generally accepted governmental auditing standards and utilized an approach that included staff interviews, reviews of documents, and reports and examinations of individual financial transactions.

Our process began by counting the petty cash fund while being observed by Treasury personnel. The physical counts were compared to the prescribed system (cash drawers). Any discrepancies between the prescribed totals and the physical count were validated with the Treasury personnel.

## **FINDINGS, RECOMMENDATIONS AND RESPONSES**

### **CASH COUNT: OVERAGES/SHORTAGES**

#### **1. Overage in Physical Count**

The cash funds were physically counted by the auditor and verified by Treasury personnel. The totals physically counted were compared to the prescribed totals. The results were as follows:

<b>FUND</b>	<b>OVER/(SHORT)</b>
Petty Cash	\$20.01

#### **Recommendation**

All overages and shortages should be investigated, and any procedural weaknesses identified should be used for retraining.

#### **Administration's Response**

We agree with the recommendation. We will continue investigating shortages and overages and incorporate it in our training.